

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 14, 2009

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: SB2264 by Gallegos (Relating to the provision of a community telephone emergency notification system as part of the 9-1-1 system.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB2264, As Introduced: a negative impact of (\$4,634,901) through the biennium ending August 31, 2011.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	(\$2,031,033)
2011	(\$2,603,868)
2012	(\$2,603,868)
2013	(\$2,603,868)
2014	(\$2,603,868)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1
2010	(\$2,031,033)
2011	(\$2,603,868)
2012	(\$2,603,868)
2013	(\$2,603,868)
2014	(\$2,603,868)

Fiscal Analysis

The bill would amend the Health and Safety Code to require the Commission on State Emergency Communications (CSEC) to develop performance standards for 9-1-1 regional plans submitted by Regional Planning Commissions (RPCs) that provide for the operation of a community telephone emergency notification system. The standards would be required to be developed by October 1, 2009. Each RPC would be required to submit an amendment to its regional plan not later than January 1, 2010, and identify procedures for full implementation of a system by July 1, 2010.

In addition, by July 1, 2010, an emergency communication district would be required to provide, as part of the 9-1-1 system for each participating jurisdiction, a community telephone emergency notification system. The bill would take effect September 1, 2009.

Methodology

This analysis assumes that RPCs within the statewide 9-1-1 program would be required to provide a community telephone emergency notification system that would be paid for through grants received from the CSEC to implement regional plans.

The CSEC has indicated that a third party vendor would provide community telephone emergency system services. Nonrecurring costs for the development of the initial system are anticipated to be \$729,099 in fiscal year 2010. Recurring costs are estimated to be \$216,989 per month for a total of \$1,301,934 for six months in fiscal year 2010 and \$2,603,868 in fiscal year 2011 and subsequent years.

Additional costs may be incurred to provide for initial system setup or nonrecurring costs at each public safety answering point that currently does not have a telephone emergency notification system in place, as well as costs for each emergency notification issued by local entities. However, these costs cannot be determined at this time and are not included in the cost analysis.

It is also assumed that the agency would not have authority to access the General Revenue-Dedicated Accounts 5007 (equalization surcharge) and 5050 (9-1-1 service fees) to fund implementation of the community telephone emergency notification system. Both funds are restricted to 9-1-1 service, which would remain as defined in current statute as a “telecommunications service that provides the user of the public telephone system the ability to reach a public safety answering point by dialing the digits 9-1-1.” As a result, the cost for the provisions of bill has been shown from General Revenue.

Local Government Impact

The bill would require developing regional plans to follow the 9-1-1 service performance standards for equipment and operation, including providing for the operation of a community telephone emergency notification system to quickly disseminate critical information to large numbers, or targeted groups.

Several local governments have indicated that the costs to comply with the provisions of the bill could be significant, but would vary depending on the systems currently in place.

The City of Coppell Police Department reported the fiscal impact would not be significant because the city currently utilizes “Code Red” as a vendor for call back and emergency notifications.

The Town of Addison reported the fiscal impact would not be significant because the town currently employs the “reverse 9-1-1” technology at an annual cost of \$5,000.

The Lubbock Emergency Communication District (LECD) reported the costs would be an estimated \$206,516 for 2010, which includes costs for new staff (\$53,516), computer software and servers (\$120,000), new operational costs (\$10,000), RIX2, External Access (\$20,000), and training (\$3,000). The LECD also stated the costs would be for installation of a system that would only notify about 80 percent of the population, and currently there is not a database of wireless phone numbers to load into the system.

The Denco Area 9-1-1 District reported the costs would be an estimated \$313,070 for 2010, which includes costs for new staff (\$30,150), Reverse 9-1-1 hardware and software, and PBX (\$157,120), new operational costs for maintenance fees, training, telephone network, and database.

The Bexar Metro 9-1-1 Network District reported the costs would be an estimated \$740,880 for 2010, which includes costs for new staff (\$50,619), servers and software (\$234,501), new operational costs for a database (\$26,760), dial tone-42 PRI (\$425,000), and training (\$4,000). Bexar Metro also stated both the City of San Antonio and the Bexar County Commissioners Court approved the installation of an Emergency Notification System in 2003 that serves 34 municipalities and 3 counties. The system was sized to focus on a very limited geographic area, and a small target group due to costs. The cost to expand the capability beyond 75 notifications per minute would be an estimated \$12,000 annually per 24 notifications.

The Kerr Emergency 9-1-1 Network reported the costs would be an estimated \$55,000 for 2010, which includes costs for new staff (\$20,000), and new operational costs (\$35,000).

Source Agencies: 477 Commission on State Emergency Communications

LBB Staff: JOB, DB, MS, LCO, TP